

**MINUTES
FOR THE REGULAR MEETING
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD
Docket No. 5478**

1. Opening of Meeting:

The Appeals Board convened at 10:30, February 13, 2007 in Sacramento, with Chair Ann M. Richardson presiding.

2. Roll Call: <u>Members</u>	<u>Present</u>	<u>Absent</u>
Ann M. Richardson, Chair	X	
Terri Carbaugh, Vice Chair	X	
Jack Cox	X	
Liz Figueroa	X	
Cindy Montañez	X	

3. Approval of the Minutes:

The January 9, 2007 minutes were approved by all Members except Cindy Montañez, who was not on the Board at the time of the January meeting.

4. Chair's Report:

Chair Richardson announced that she named Terri Carbaugh as Vice Chair.

She went on to report the speaker of the Assembly, Fabian Nunez appointed former Assemblymember Cindy Montañez to the Board. She welcomed Member Montañez on behalf of the Board.

5. Board Member Reports:

Member Figueroa commented that her training is going well and she commended the entire staff for all of their hard work and dedication.

Member Montañez stated she is excited to be on the Board and to work with everybody. She thinks this is a great Agency with great leadership and looks forward to being a part of that. She gave a personal thank you to ALJ Martha Geiger who coordinates the training for the new Board Member's. She hopes that as a result of the excellent training she has received that she will be able to fulfill her duties as a Board Member and to serve the people of California to the best of her abilities.

Chair Richardson stated she couldn't agree more with Member Montañez, and she would like everyone at CUIAB to know they are the best and the brightest and she is very proud to serve with the agency.

Vice Chair Carbaugh welcomed Member Montañez to the Board and she looks forward to working with her. She also stated she has been very impressed with the way Member Montañez has been handling her cases so far.

6. Chief Administrative Law Judge/Executive Director's Report:

Executive Director/Chief Administrative Law Judge Jay Arcellana congratulated Member Carbaugh on being named Vice Chair. On behalf of Field Operations he welcomed Member Montañez to the Board and said he is looking forward to working with her.

Chief Arcellana reported he met with Bob Dresser, Chief Counsel for Agency. This was a quarterly meeting that also included the Chair, Ann Richardson, Chief Counsel Ralph Hilton and Presiding Administrative Law Judge (PALJ) Tim McArdle. Among the topics discussed were workload, budget and staffing. The meeting also included a discussion regarding other departments within the Labor Agency that may be interested in working with CUIAB and using some of our judges to assist with workload issues. Since CUIAB would need to be reimbursed by other agencies for utilizing the services of our judges, we learned that the lack of funding available to the other agencies would likely prevent them from entering into any type of work share agreements.

Chief Arcellana reported that he and Chair Richardson and Board Member Figueroa met with the San Francisco field office. They observed hearings, toured the recently remodeled office and enjoyed a wonderful pot luck hosted by the office. They commended the business services staff for their efforts on the remodel. Staff morale in the San Francisco office is very high. Chief Arcellana also met with office staff about operational matters. The Board Members hope to visit field offices on a monthly basis.

Chief Arcellana reported the Governor issued an executive order two years ago which instructed the Department of General Services (DGS) to perform a space audit on all state leases. DGS reviewed the Oxnard Office recently and deemed it spatially adequate with no waste. DGS is scheduling other office visits throughout the state and the results of those audits will be reported after they have been conducted.

Chief Arcellana reported we submitted our comments to the Department of Labor regarding their case aging proposals. Chair Richardson and staff worked very hard on those comments. One of our most significant comments was that the case aging pilot occurred during a period of low workload, so the resulting standard proposed by DOL would be difficult to meet during a period of high workload. Because of this, CUIAB requested DOL to consider a rolling standard that would take into consideration the economy and workload. A majority of the other states are also proposing this type of standard. We have not had a response to our comments as of this date, and Chief Arcellana stated he will keep the Board posted.

7. Branch Reports:

A. Executive Director/Chief Administrative Law Judge Jay Arcellana reported that with respect to workload January was a good month. In terms of all programs, 23,562 cases were verified. This is a 15% increase from December. On a quarterly comparison, this workload represents an increase of 13% from the same quarter a year ago. In all programs there were 22,367 dispositions. This is an 11% increase over the prior month.

Chair Richardson asked whether the CUIAB has been in contact with the other states, such as Texas, to determine if they had sent a letter to the Department of Labor regarding the case aging issue. Chief Arcellana responded they had done so, but since the method of operation in Texas is primarily telephone hearings, their measurements are not comparable to California. Accordingly, we have tried to reach out to other larger states that do in-person hearings.

Chair Richardson asked if there is a time frame in which we can expect to hear back from the DOL, to which Chief Arcellana responded it should be sometime close to the end of the fiscal year. Should we fail to meet any new DOL standard, we would be subject to corrective action plans.

Chair Richardson asked if we are tracking the Family Disability Leave Program. Chief Arcellana responded staff has just started to track those numbers, and he has had some informal discussions with EDD about advertising the Paid Family Leave Program. Paid Family Leave is an important issue statewide. Somewhat locally, there was a article in the SF Chronicle discussing a recently-enacted city ordinance which requires employers to provide paid sick leave to employees who work within the city. Chair Richardson requested that the article be forwarded to the Board Members.

For the tax program in January, 122 cases were verified, a 16% decrease over the prior month. Because of the decrease in intake, the agency was able to become more current in the tax load, as it disposed of 196 cases in the month of January.

Chief Arcellana reminded the Board that the October revise projected a drop in workload and dispositions by about 13,000 cases, and that would be a reduction in income of about 1.7 to 2 million dollars. Assuming the actual numbers hold true, our budget will be very tight, and we may come in with a deficit of half a million. This is very good considering the deficit was first projected to be 2 million. In order to cover the shortfall, assuming we are not going to be able to generate more income from dispositions, a policy decision was made to reduce expenditures. We have pretty much frozen travel, big purchases and outside hires. We are also piloting some workload efficiency projects which will be reported by Mary Walton-Simons.

Finally, Chief Arcellana reported Amy Oppenheimer Presiding ALJ in the Oakland Office of Appeals has decided to step down. Interviews for her replacement will be conducted some time in February and March.

Chief Arcellana asked Mary Walton-Simons to present a PowerPoint presentation for the Board on CUIAB's strategic plan and objectives, particularly for the new Board Members so they can get a sense of what CUIAB's goals and mission statement are about. (Attachment A)

B. On behalf of Appellate Operations (AO) and the Central Transcription Unit (CTU), Deputy Chief ALJ, Appellate Operations Steve Angelides welcomed Member Montañez.

Deputy Chief Angelides reported in January appellate registrations were flat at 1,160, which is 96% of the fiscal year average, while dispositions dropped to 937, which is 75% of the fiscal year average. The drop in dispositions was due to special assignments and ALJ vacations. As a result their balance of open cases rose slightly to 1,609. To put this figure in perspective, their average balance of open cases in 2006 was 2,107, in 2005 was 2,447, and in 2004 was 2,752. Their current open balance represents a 42% decrease from our 2004 average.

While a smaller inventory means the cases get through the system more quickly, when it gets too small it becomes more of a challenge to smoothly manage the workload, which is the situation in which they currently find themselves. CTU produced the lowest number of pages of transcripts on record in January, 5,455 pages. This is less than half the volume of transcripts CTU was producing at this time last year. Because of the drop in workload in CTU, and the need for more support staff help in AO due to their 7 currently vacant positions, CTU is helping AO quite a bit.

At the last Board Meeting Deputy Chief Angelides reminded the Board that he reported on the decrease in the Board Appeal rate in the last 7 months of 2006 as compared to the first 5 months of 2006. Member Carbaugh asked for the breakdown between claimant and employer appeals. The breakdown is as follows: in the first 5 months of 2006 an average of 826 such appeals were filed by claimants and 319 by employers. In the last 7 months of 2006 an average of 833 such appeals were filed by claimants and 264 by employers. Comparing these two periods, claimant Board appeals were constant, while employer Board appeals decreased by an average of 55 cases per month, which is a 17% decrease. Thus the decrease in Unemployment Insurance Board appeals filed in the last 7 months of 2006 as compared to the first 5 months of 2006 can be attributed to the decrease in employer Board appeals.

Finally, Deputy Chief Angelides reported two Management Services Technicians will be leaving AO, which will leave AO with 9 vacant positions. Liza Dobson is transferring to the Sacramento Office of Appeals effective March 1. Norma Gallegos, who has been with CUIAB for almost 15 years, is retiring.

C. Deputy Director, Administrative Services Branch Pam Boston welcomed Member Montañez to the Board on behalf of Administration Services. She also congratulated Member Carbaugh on being named Vice Chair.

Deputy Director Boston had previously reported the Department of General Services issued a stop work notice for the State of California 25 year and retirement service award contract due to a protest that was filed. The contract is now back in place and the CUIAB is once again able to purchase the 25-year and retirement gifts.

Deputy Director Boston reported the vacant PJ position in Oakland is being advertised, with a final filling date of February 15th.

Deputy Director Boston reported IT successfully updated the e-file program. The update enhanced the archive process and also moved the e-file to a new server. The update should have been seamless to the Board Members, but very helpful to the support staff.

Deputy Director Boston reported Nakesha Robinson of IT was promoted to Associate Information Systems Analyst. She is the webmaster in charge of the internet and intranet sites. In Business Services, Rita Thompson was promoted to Staff Services Manager I over facility reps. Deputy Director Boston congratulated both employees on their promotions.

D. Deputy Director, Planning and Program Management Branch Mary Walton-Simons welcomed the new Board Member, Cindy Montañez, to CUIAB, and congratulated Terri Carbaugh for her appointment as Vice Chair.

Deputy Director Walton-Simons gave a power point presentation on CUIAB's Strategic Plan.

Deputy Director Walton-Simons also reported on the Central Uniform Registration/Verification (CURV) Project, which officially began in Field Operations effective February 6 under the oversight of Renee Erwin, Martha Diaz, and Joyce Bernatzke.

The concept of the pilot is for an Office of Appeals with low workload to assist an Office of Appeals with high workload by redirecting UI appeals from the EDD Primary Adjudication Centers to the Office of Appeals providing the assistance. The Los Angeles office is now assisting the Sacramento office by receiving 7% of Sacramento's UI appeals from EDD's Primary Adjudication Centers. The LA staff is assembling these case files, verifying the CATS data for accuracy and processing the supplemental for next-day mail delivery to the Sacramento Office of Appeals.

8. Chief Counsel's Report:

Chief Counsel Ralph Hilton welcomed Member Montañez to the Board and congratulated Member Carbaugh on being named as Vice Chair.

Chief Counsel Hilton stated each of the Board Members has a report in their packets that shows how many cases were assigned to them throughout the month

of January. There is a significant disparity in the numbers as between the established members and the new members, but he assured the new members that they will catch up soon, which the established members will really appreciate.

On the litigation front, four new cases were filed in January and eight cases were closed. Five of those cases affirmed the Board, two of the cases reversed the Board, and one of the cases was remanded for consideration in light of new evidence. The new evidence on the remand was from the employer who testified at the ALJ hearing, and subsequently in a letter to the court recanted that testimony.

9. Unfinished & New Business:

There was no unfinished or new business.

10. Public Comment:

A member of the public came forward to give Member Figueroa a valentine.

An attorney from the firm of Littler Mendelson addressed the Board and suggested that precedent decisions on the public web site be organized with a search component that would allow them to search by occupation. Deputy Chief Angelides responded that CUIAB is currently in the process of digitizing the precedent decisions. Once that is completed, the decisions will be put on the web with full text search, so anyone will be able to search them by query or word search, including occupational titles.

11. Closed Session:

There was no closed session.

CUIAB'S STRATEGIC PLAN

GOALS AND OBJECTIVES

February 13, 2007

Mission Statement

- The California Unemployment Insurance Appeals Board serves the people of California as an independent adjudicative agency. We conduct impartial hearings and issue prompt decisions to resolve disputed unemployment, disability, and tax determinations of the Employment Development Department.

State Governing Act

- As part of the State Government Strategic Planning and Performance Review Act, all state agencies are mandated to develop a Strategic Plan.
 - The plan is a “living document” which sets forth an agency’s blueprint which defines where resources will be directed to achieve meaningful results.
 - CUIAB’s Strategic Plan has five goals.

● **Goal 1**

Continually improve programs and performance

● **Goal 2**

Continuously develop and improve the interpersonal skills and expertise of employees

● **Goal 3**

Provide a safe, healthy and secure workplace environment for employees and the public

● **Goal 4**

Provide a secure environment to protect our information and technological assets

● **Goal 5**

Plan for and manage change in the future

Goal 1

Continually improve programs and performance

The focus of this goal is the continuous improvement of the quality and timeliness of our work product and services to the public, while maintaining the highest degree of public confidence in the integrity, efficiency and fairness of CUIAB.

Objectives for Goal 1

● 1A – SPECIAL ASSISTANCE

- Develop and implement a program that will increase access to those who are disabled and/or require additional language services.

● 1B – DUE PROCESS – SETTING AND MEETING QUALITY STANDARDS

- Every party to a proceeding before the Appeals Board and its Administrative Law Judges shall be afforded a fair hearing or review by an impartial decision maker in full accordance with the principles of due process of law. In 2004, CUIAB met the federal quality and due process criteria. With each succeeding year through 2008, CUIAB will increase its annual average Quality Review score by an average of two percent.

● 1C – MEETING TIMELINESS STANDARDS

- Field Operations: Meet timeliness standards developed for each major program under CUIAB jurisdiction.
- Appellate Operations: Meet timeliness standards developed for each major program under CUIAB jurisdiction. Meet time limits set by California Statute.

Goal 2

Continuously develop and improve the interpersonal skills and expertise of employees

*The focus of this goal is to promote harmony
among employees, improve the skills and
abilities of CUIAB staff and provide a better
service to the public.*

Objectives for Goal 2

● 2A – SUPERVISOR TRAINING

- Provide supervisors with 30 hours annually of staff management training each year.

● 2B – CULTURAL DIVERSITY TRAINING

- Provide all employees with education and training on cultural diversity.

● 2C – UPWARD MOBILITY PROGRAM

- Develop and implement an Upward Mobility Program.

• 2D – AGENCY-WIDE NON JUDICIAL STAFF TRAINING

- Develop and implement an agency-wide training plan for all non-judicial staff.

• 2E – AGENCY-WIDE JUDICIAL STAFF TRAINING

- Develop and implement an agency-wide training plan for all judicial staff.

Goal 3

Provide a safe, healthy and secure workplace environment for employees and the public

The focus of this goal is to reduce workplace injuries, prevent illness, ensure employee and public safety and plan for business continuity during unforeseen circumstances.

Objectives for Goal 3

● 3A – INTERNAL/EXTERNAL SECURITY NEEDS ASSESSMENT

- Establish and implement internal and external security needs assessment for all offices, outstations, and parking facilities.

● 3B – HEALTH, SAFETY, AND SECURITY AWARENESS PROGRAM

- Develop and implement a Health, Safety, and Security Awareness Program.

● 3C – EMERGENCY PLAN AND EVACUATION PROCEDURES

- Develop, approve and implement Emergency Plan and Evacuation Procedures in all offices to ensure the safety of staff and business continuity.

● 3D – FACILITY SAFETY PLAN

- Develop and implement a Facility Safety Plan which includes minimum requirements for health and safety standards for facilities, equipment and work areas.

Goal 4

Provide a secure environment to protect our information and technological assets

The focus of this goal is to ensure the proper use of confidential information, prevent loss of information assets, and to ensure effective backup and recovery technology.

Objectives for Goal 4

● 4A – OPERATIONAL RECOVERY PLAN

- Establish an Operational Recovery Plan to ensure business continuity in the event of a disaster or operational failure.

● 4B – INFORMATION TECHNOLOGY SECURITY TRAINING

- Develop and implement an Information Security Training and Awareness Plan to ensure information security is part of the normal day-to-day responsibility.

● 4C – TECHNOLOGY COMPATIBILITY

- Establish risk analysis and risk management practices in the development and deployment of new technology to ensure security, efficiency and compatibility standards are met.
- Create and implement policies which require that training be provided with new technology.

● 4D – SYSTEMS ACCESS STANDARDS

- Develop and implement internal and remote network access security standards and practices.

● 4E – VULNERABILITY ASSESSMENT

- Obtain independent computer and network systems vulnerability assessments and implement recommendations.

● 4F – AGENCY-WIDE INFORMATION TECHNOLOGY POLICY

- Develop, implement, and evaluate agency-wide information technology policies.

Goal 5

Plan for and manage change in the future

The focus of this goal is to promote an organizational culture that facilitates teamwork and innovation at CUIAB during times of change.

Objectives for Goal 5

● 5A – CROSS BRANCH ADVISORY GROUP

- Establish a Cross-Branch Information Technology Advisory Group to assess changing technology and its effect on operations.

● 5B – CONTINUOUS IMPROVEMENT TRAINING

- Continue to provide Continuous Improvement training to at least 5% of our employee base annually.

● 5C – DELEGATED AUTHORITIES

- Enhance our ability to fulfill our mission in a streamlined and prompt manner by increasing our delegated authority from control agencies.

● 5D – OPERATIONAL EVALUATION

- Evaluate our progress on an annual basis in implementing our Strategic Plan and report to the Executive Director and the Board.

**2007 will be another
banner year for CUIAB,
the best agency in the
whole wide world!**

CUIAB